

**A SUBSTITUTE ORDINANCE**

**BY FINANCE/EXECUTIVE COMMITTEE**

**AN ORDINANCE TO AMEND THE GENERAL EMPLOYEES' PENSION FUND ADOPTED BY G.A.L.1927, P.265, ET SEQ. SO AS TO ESTABLISH A DEFINED CONTRIBUTION RETIREMENT PLAN EFFECTIVE JULY 1, 2001 FOR THOSE CITY EMPLOYEES WHO ARE OR WOULD OTHERWISE BECOME MEMBERS OF THE GENERAL EMPLOYEES' PENSION FUND; TO ESTABLISH THE PROVISIONS AND PROCEDURES FOR THE PLAN'S OPERATION; TO ESTABLISH THE PROVISIONS FOR THE REQUIRED PARTICIPATION IN THE CITY OF ATLANTA DEFINED CONTRIBUTION RETIREMENT PLAN BY ALL NEW PERMANENT EMPLOYEES WHO WOULD OTHERWISE PARTICIPATE IN THE GENERAL EMPLOYEES' PENSION FUND; TO ESTABLISH PROVISIONS WHEREBY CURRENT EMPLOYEES PARTICIPATING IN THE GENERAL EMPLOYEES' PENSION FUND MAY ELECT TO PARTICIPATE IN THE DEFINED CONTRIBUTION RETIREMENT PLAN AT THEIR OPTION; TO ESTABLISH FUNDING REQUIREMENTS FOR THE PLAN; AND FOR OTHER PURPOSES.**

**WHEREAS**, the Chief Financial Officer of the City of Atlanta has recommended that a new defined contribution retirement plan be established effective July 1, 2001; and

**WHEREAS**, participation in the new defined contribution retirement plan is mandatory for all new employees who would otherwise participate in the General Employees' Pension Fund, on and after the effective date of the defined contribution plan; and

**WHEREAS**, all active employees currently participating in the General Employees' Pension Fund will be given the option of remaining in the General Employees' Pension Fund or participating in the defined contribution retirement plan;

THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA HEREBY ORDAINS as follows:

**Section 1.** A defined contribution retirement plan, which shall be qualified as a governmental plan under the provisions of section 401(a) of the Internal Revenue Code of 1986, as amended, is hereby established for all permanent employees of the City of Atlanta, except (i) those who are or would be covered under the Police Officers Pension Plan or the Firefighters Pension Fund (ii) temporary or casual employees or (iii) Atlanta Board of Education employees who are covered under the State of Georgia Teachers Retirement System.

**"Attachment A"**  
**Aetna Government Custom Choice - Blend™**  
**Fund Fees and Expenses\* as of 12/31/2000**  
**May 2001 update**

Fund	Class of Shares	Management Fees	12b-1 Fees	Other Expenses	Total Fund Expenses	Waivers and Reductions	Net Fund Expenses	Prospectus Date
<b>Global / International</b>								
Aetna International VP		0.85%	0.00%	0.49%	1.34%	0.19%	1.15%	05/01/2001
Aetna Progressive Growth								
Aetna Small Company VP		0.75%	0.00%	0.12%	0.87%	0.00%	0.87%	05/01/2001
VESCO Dynamics		0.46%	0.25%	0.20%	0.91%	0.00%	0.91%	05/01/2001
Penhelter Capital Appreciation Fund (Class A)		0.59%	0.23%	0.24%	1.06%	0.00%	1.06%	05/01/2001
Global Growth Fund		1.17% <sup>1</sup>	0.00%	0.01%	1.18%	0.00%	1.18%	03/01/2001
Global Growth Fund (Advisor Shares)		0.75%	0.25%	1.15%	2.15%	0.15%	2.00% <sup>2</sup>	03/01/2001
Global Growth & Income (Stocks)								
Aetna Index Plus Large Cap VP		0.35%	0.00%	0.09%	0.44%	0.00%	0.44%	05/01/2001
Aetna Inner Fund (Class A)		0.67%	0.25%	0.18%	1.10%	0.00%	1.10%	05/01/2001
Global Growth & Income (Stocks & Bonds)								
Aetna Aspen Series Balanced Portfolio	Institutional Shares	0.65%	0.00%	0.01%	0.66%	0.00%	0.66%	05/01/2001
Asset Allocation								
Aetna Ascent VP		0.60%	0.00%	0.15%	0.75%	0.00%	0.75%	05/01/2001
Aetna Crossroads VP		0.60%	0.00%	0.15%	0.75%	0.05%	0.70%	05/01/2001
Aetna Legacy VP		0.60%	0.00%	0.16%	0.76%	0.11%	0.65%	05/01/2001
Income								
Aetna Bond VP		0.40%	0.00%	0.09%	0.49%	0.00%	0.49%	05/01/2001

\*represent a Unified fee, manager pays most other expenses from this fee.  
<sup>1</sup>if fund expenses include waivers and/or absorptions. Waivers for this fund can be terminated at anytime.





**Section 2.** New employees who would otherwise become members of the General Employees' Pension Fund for officers and employees, established pursuant to Ga. L. 1927, p. 265, as amended, (the "General Employees' Pension Fund") who enter employment with the City on and after the effective date of the defined contribution retirement plan, shall participate in the defined contribution retirement plan in lieu of the General Employees' Pension Fund

**Section 3.** The targeted effective date of the defined contribution retirement plan is July 1, 2001 for all such new employees.

**Section 4.** The General Employees' Pension Fund is hereby amended to freeze future participation so that no new or rehired employees shall be eligible to participate in the General Employees' Pension Fund effective as of the effective date of the defined contribution retirement plan.

**Section 5.** The defined contribution retirement plan shall contain the following provisions: (i) a pre-tax employee contribution of 6% of compensation which shall always be 100% vested, (ii) an optional after-tax employee contribution which shall be 100% vested, (iii) a City contribution of 6% of compensation which shall vest over a 5 year period at 20% per year, (iv) participants shall direct the investment of all amounts in their accounts from an array of funds selected by the Plan Administrator of the defined contribution retirement plan, and (v) lump sum distributions shall be available to be paid to participants upon termination of employment, death, disability or retirement.

**Section 6.** A long term disability insurance policy will be provided to all participants in the defined contribution retirement plan, the intent of which is to provide disability benefits equivalent to those provided in the General Employees' Pension Fund.

**Section 7.** The designated Plan Administrator shall be the Chief Financial Officer or his designee, who shall oversee the day to day administration of the defined contribution retirement plan. The Plan Administrator shall report to the Management Committee of the defined contribution retirement plan which shall be composed of the Chief Financial Officer, the Chairman of the Finance Committee, and the Mayor or his designee.

**Section 8.** The Plan Administrator shall have complete control of the administration of the defined contribution plan, with all powers necessary to enable it properly to carry out its duties which include the following: (i) engaging the services of third party service provider(s) and trustee, consistent with the City's purchasing procedures and based on the recommendation of an outside consultant, which shall provide recordkeeping services for the plan, provide investment fund options and trustee services, provide and present investment education and other communications materials to employees; and provide disability insurance; (ii) preparing and construing the plan documents and agreements and determining all questions arising thereunder; (iii) deciding all questions relating to eligibility and benefit entitlement under the plan; (iv) maintaining records relating to participants and preparing and furnishing to participants



all information required under state or federal law; (v) preparing and furnishing to the third party service provider and/or trustee necessary employee and financial data and providing direction and oversight of such providers; (vi) preparing and filing with all other appropriate government entities all reports and other information required under law to be so filed or published; (vii) engaging consultants, attorneys, actuaries or other assistants and professional advisers as necessary to aid in plan administration; (viii) arranging for fiduciary bonding, if necessary; (ix) providing procedures for directions for benefit payments; and (x) delegating any or all of its responsibilities.

**Section 9.** The General Employees' Pension Fund is hereby amended to provide that on or about November 1, 2001, all employees currently participating in the General Employees' Pension Fund shall be given the opportunity to elect whether to remain a participant in the General Employees' Pension Fund or to become a participant in the defined contribution retirement plan.

**Section 10.** Employees who elect to participate in the defined contribution plan may be required to transfer the present value of their plan benefit under the General Employees' Pension Fund into the defined contribution plan.

**Section 11.** The assumptions to be used to determine the present value of plan benefits under the General Employees' Pension Fund and other issues related to the election to transfer into the defined contribution plan shall be determined by the Management Committee previously named in Section 7.

**Section 12.** Any assumptions used to determine the present value of plan benefits under the General Employees' Pension Fund shall maximize plan benefits without causing an increase in cost to the General Employees' Pension Fund.

**Section 13.** Any ordinances or parts of ordinances in conflict herewith are hereby repealed.

A true copy,

*Rhonda Wauphin Johnson*  
Municipal Clerk, CMC

ADOPTED by the Council  
APPROVED by the Mayor

FEB 05, 2001  
FEB 13, 2001

Fund Name	Manager Category	12 Mo		3 Yr		5 Yr		10 Yr		Category Ranking	SMI Dev 5 Yr	SMI Dev 3 Yr	ES 3 Yr	ES 3 Yr	Current	12-1	Net Paid Expense	Net Assets \$MM	Manager Tenure	Sharpe Ratio	Mover Rating	Fund Incept Date	Manager Name	Ticker
		Ret	Std Dev	Ret	Std Dev	Ret	Std Dev	Ret	Std Dev															
Oppenheimer Capital Ap A	Large Growth	-14.28	12.18	18.91	17.22	5	27.84	23.38	1.16	83	0.25	1.06	3366.8	6	0.28	4	1981-01	Peterson, Jane C.	CPTIFX					
Sevens Growth Advisor	Large Growth	-36.72	8.56	11.72	.	.	.	.	.	.	0.25	2.80	14.4	1	.	.	2000-02	Ogden, Ronald C.	.					
Global Growth	Large Growth	-33.23	8.61	11.1	.	2	23.6	22.8	1.15	90	0.89	1.18	21.4	.	-0.23	3	1995-12	Management Team	CBOWFX					

\*Three and five year annual performance represent statistics of investor share class with longer history and substantially similar investment strategies/objectives.

**BUREAU OF PURCHASING AND REAL ESTATE  
LEGISLATIVE SUMMARY**

**CAPTION:** AUTHORIZING THE MAYOR TO ENTER INTO AN APPROPRIATE CONTRACTUAL AGREEMENT WITH ING AETNA FINANCIAL SERVICES FOR FC-7339-01, DEFINED CONTRIBUTION PLAN, (RFP) ON BEHALF OF THE DEPARTMENT OF FINANCE.

**REQUESTING DEPARTMENT:** Department of Finance

**CONTRACT TYPE:** Professional Services

**SOURCE SELECTION:** Competitive Sealed Proposal

**BID/PROPOSAL OPENING:** May 16, 2001

**NO. INVITATIONS ISSUED:** 61

**PROPOSALS RECEIVED:** 13

**PROPONENTS:**

Fidelity Investment	American General
Strong Institutional	ICMA Retirement Group
Nationwide Insurance	Wachovia Bank
CitiStreet	TIAA-CREF
UBS – PaineWebber	
Prudential Retirement Services	
ING Aetna Financial Services	
Diversified Investment Advisors	
First Union National Bank	

**BACKGROUND:** The City of Atlanta is seeking services of a qualified firm to provide the administration, trustee, record keeping, reporting and investment management services.

**EVALUATION TEAM COMPOSITION:** Department of Finance  
Risk Management  
Office of Contract Compliance

**TRANSMITTAL FORM FOR LEGISLATION**

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

\_\_\_\_\_  
Commissioner's Signature

  
\_\_\_\_\_  
Director's Signature

Originating Department: Department of Finance

Contact Person: Felicia Strong-Whitaker

Committee(s) of Purview: Finance/Executive

Council Deadline: November 16, 2001

Committee Meeting Dates(s): November 28, 2001

Full Council Date: December 3, 2001

**CAPTION:**

**AUTHORIZING THE MAYOR TO ENTER INTO AN APPROPRIATE CONTRACTUAL AGREEMENT WITH ING AETNA FINANCIAL SERVICES FOR FC-7339-01, DEFINED CONTRIBUTION PLAN, (RFP) ON BEHALF OF THE DEPARTMENT OF FINANCE.**

**BACKGROUND**

The City of Atlanta is seeking services of a qualified firm to provide the administration, trustee, record keeping, reporting and investment management services.

**FINANCIAL IMPACT (if any)**

***Mayor's Staff Only***

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Received by Mayor's Office: \_\_\_\_\_  
(date)

Reviewed by: \_\_\_\_\_  
(initials) (date)

Submitted to Council: \_\_\_\_\_  
(date)

Action by Committee:     Approved     Advertised     Held     Amended  
                                  Substitute     Referred     Other